GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:2500
ANSWERED ON:09.05.2016
Private Provident Fund Trusts
Sundaram Shri P.R.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)the details of private Provident Fund Trusts functioning in the country, State/UT-wise;
(b)the monitoring mechanism put in place by the Government to monitor and ensure transparency in the functioning of these trusts;
(c)whether any compliant has been received by the Government against any private provident fund trusts during the last three years and the current year;
(d)if so, the details thereof and the action taken thereon, year-wise, State/UT-wise; and
(e)the policy guidelines in existence regarding companies, which have been allowed to maintain private provident fund of their employees despite their merger or being bought by other companies?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a): Statistics pertaining to private Provident Fund Trusts is not maintained Centrally. However, State-wise details of establishments which have been granted exemption under the Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952 to maintain their own Provident Fund Trusts is at Annex.

(b): Establishments which have been granted exemption to maintain their own Provident Fund Trusts are subject to terms and conditions laid down in Appendix − 'A' to Para 27AA of the Employees' Provident Funds (EPF) Scheme, 1952.
Contd..2/-

Functioning of Provident Fund Trusts is monitored by Regional Provident Fund Commissioners through compliance audit by Squad of Inspectors conducted annually.

Third Party Audit of Provident Fund Trusts can also be caused by Regional Provident Fund Commissioners, if felt necessary.

Online filing of returns by Provident Fund Trusts has also been introduced to facilitate monitoring the functioning of Trusts.

(c) & (d): Grievances regarding settlement of Provident Fund claims are received by Employees' Provident Fund Organization (EPFO) from members which are redressed suitably as per provisions of the EPF & MP Act, 1952 and Schemes framed thereunder.

Complaints of serious nature, viz., fraud, embezzlement of funds etc. have not come to the notice of EPFO during the last three years and the current year.

(e): The policy guidelines in this regard are regulated in accordance with the Condition No. 29 of Appendix − 'A' to Para 27AA of the EPF Scheme, 1952 which is as under:

"In case of any change of legal status of the establishment which has been granted exemption, as a result of merger, demerger, acquisition, sale, amalgamation, formation of a subsidiary, whether wholly owned or not, etc., the exemption granted shall stand revoked and the establishment should promptly report the matter to the RPFC concerned for grant of fresh exemption."

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